

Message Text

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PAGE 01 SAN SA 00205 141503Z
ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 CIAE-00 INR-07

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R 141445Z JAN 77
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 3116

LIMITED OFFICIAL USE SAN SALVADOR 0205

FOR OPIC

E.O. 11652: N/A
TAGS: EINV, ES
SUBJECT: OPIC REQUEST FOR INFORMATIONON TALLEY INVESTMENT; OPICR
BILATERAL

REF: COLDIRON/EINIK TELCGN OF 1/5/77

1. TALLEY INVESTMENT - AS REQUESTED BY COLDIRON DURING REF
TELCON, EMBASSY HAS OBTAINED FOLLOWING INFORMATION ON
DEVELOPMENTAL IMPACT OF TALLEY INVESTMENT IN EL SALVADOR.
THE OPERATIONS OF TALLEY'S EL SALVADOR SUBSIDIARY, IMES
(A LADIES GARMENT ASSEMBLY OPERATION), ARE SUPPORTIVE OF
GOES POLICY OF INCREASING LABOR INTENSIVE INDUSTRIES IN
THE COUNTRY. IMES HAS GROWN FROM 90 EMPLOYEES IN FEBRUARY
1974 TO A CURRENT LEVEL OF 235 WORKERS. THERE ARE PLANS
TO INCREASE THIS NUMBER BY 30. IMES MANAGEMENT TEAM IN-
CLUDES ONLY ONE AMERICAN AND HAS A LARGE NUMBER OF SAL-
VADORAN SUPERVISORY PERSONNEL. AVERAGE NON-MANAGEMENT
WAGE OF 8.61 TO 15.02 COLONS (\$3.44 TO 6.00)PER DAY IS
ABOVE AVERAGE LOCAL WAGE LEVELS. ACCORDING TO PLANT
MANAGER, IMES PURCHASES ITS SHIPPING CARTONS AND OTHER
SUPPLIES FROM LOCAL FIRMS.

2. OPIC BILATERAL AGREEMENT - WITH REFERENCE TO POSSIBLE MARCH
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VISIT TO EL SALVADOR BY OPIC OFFICIALS TO DISCUSU
BILATERAL, EMBASSY DOES NOT FEEL THAT DISCUSSIONS AT
WORKING LEVEL WOULD BE FRUITFUL AT THIS TIME. BILATERAL
QUESTION IS CURRENTLY ON THE SHELVES AT THE WORKING
LEVEL IN THE FOREIGN MINISTRY. MINISTRY DOESN'T SEEM TO
BE ABLE OR PARTICULARLY INTERESTED IN RESOLVING ITS
IMPASSE WITH LEGAL STAFF OF ASSEMBLY OVER THE CONSTITUTION-

ALITY QUESTION. IF OPIC FEELS STRONGLY ABOUT
OBTAINING NEW BILATERAL WITH GOES, EMBASSY WOULD
RECOMMEND A HIGH-LAVEL OPIC PRESENTATION TO BE MADE TO
THE INCOMING GOES ADMINISTRATION, WHICH TAKES OFFICE IN
JULY. IN EMBASSY OPINION, THIS IS PROBABLY THE ONLY WAY
TO BREAK LOOSE THE BILATERAL. DURING INFORMAL DISCUSSION,
FONOFF WORKING LEVEL ACTION OFFICER ON BILATERAL CONFIRMED
THAT FONOFF WORK ON BILATERAL QUESTION HAS COME TO A HALT.
SOURCE SUPPORTED IDEA OF MAKING HIGH LEVEL APPROACH TO NEW
GOES ADMINISTRATION AND SUGGESTED THAT SUCH APPROACH BE AT
LEAUT ON THE LEVEL OF AN OPIC VICE-PRESIDENT.
EMBASSY WOULD APPRECIATE OPIC THOUGHTS ON MATTER.
LOZANO

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Message Attributes

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